

9th National Clean Cities Conference



Current Situation

- ☀ U.S. accounts for 26% of World Oil Consumption and 9% of World Oil Production, but has only 2% of World Oil Reserves
- ☀ New Vehicle Fuel Economy has Stagnated
- ☀ Highway Fuel Use Has Continued to Increase

Options to Reduce Oil Imports

- ✱ Reduce Vehicle Miles Traveled

- ✱ Improve Fuel Economy

- ✱ Alternative Fuels

Alignment with Future



Our Mission is to Reduce the World's
Reliance on Conventional Fuels

Bi-Phase Technologies

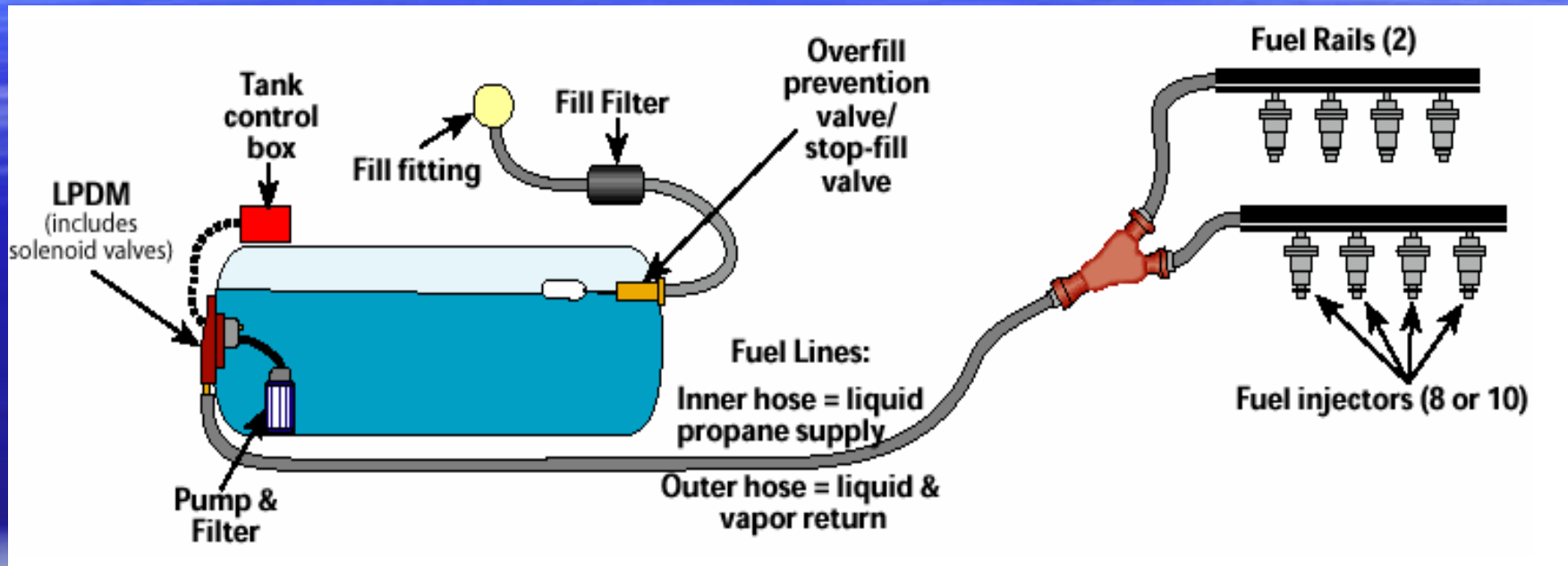
- ☀ Design, manufacture and market alternate fuel systems
 - Liquid Propane Electronic Fuel Injection
 - Unique, patented technology
 - Propane fuel system provided OEM complete in Mexico
- ☀ QS 9000 certified as of February 2002
- ☀ Wholly owned subsidiary of Schwan's Technology Group
- ☀ Facilities in Minneapolis and Mexico
- ☀ Over 5400 systems installed since 2001

LPEFI® Technology

- ☀ Direct replacement of gasoline EFI
 - No manifold changes
 - No engine changes
- ☀ *Performance* – No significant loss from gasoline
- ☀ *Emissions* – Meets and exceeds EPA standards
- ☀ *Design* – Simple and robust
- ☀ *Installation* – Quick and simple



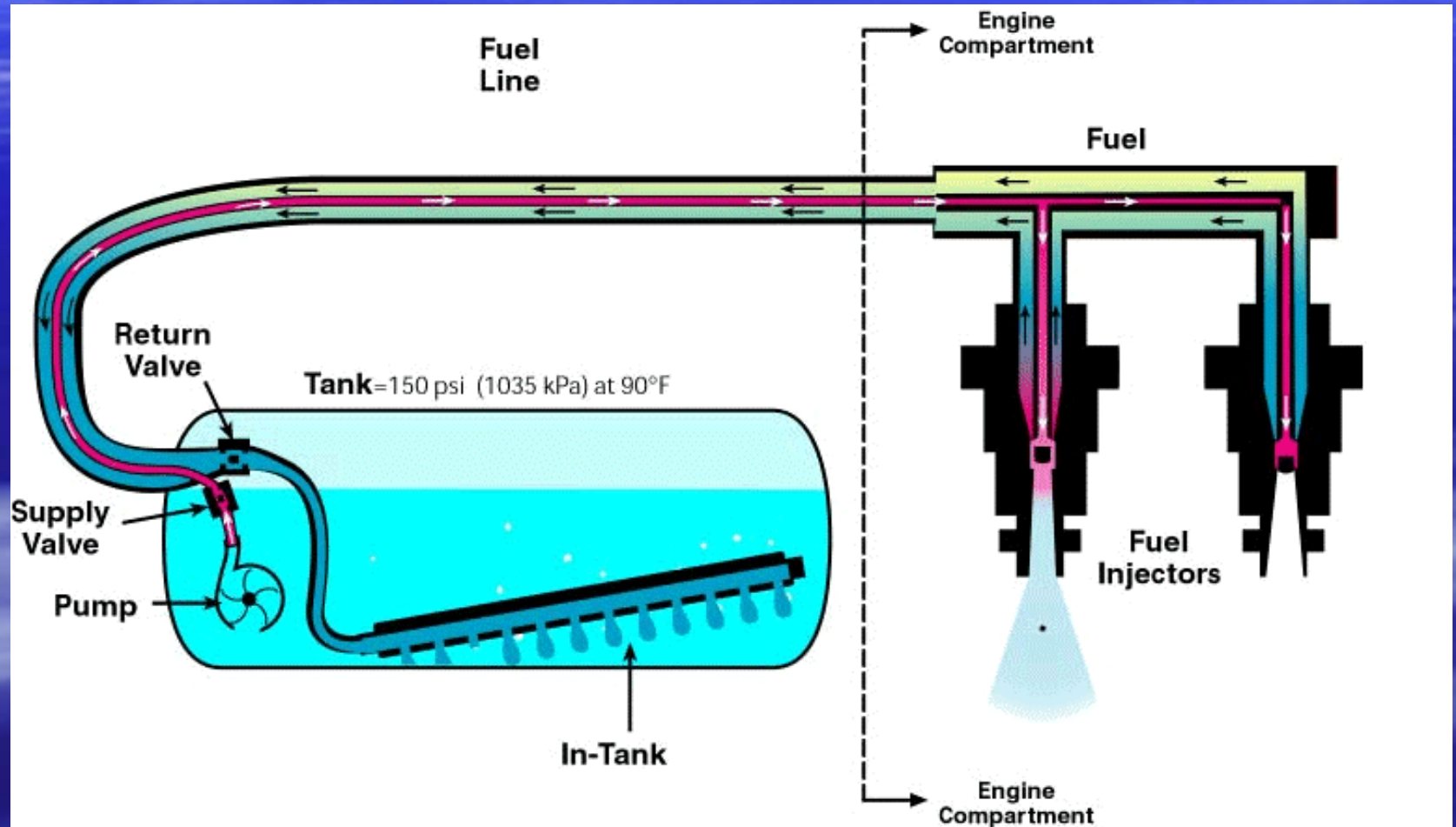
Bi-Phase LPEFI® System



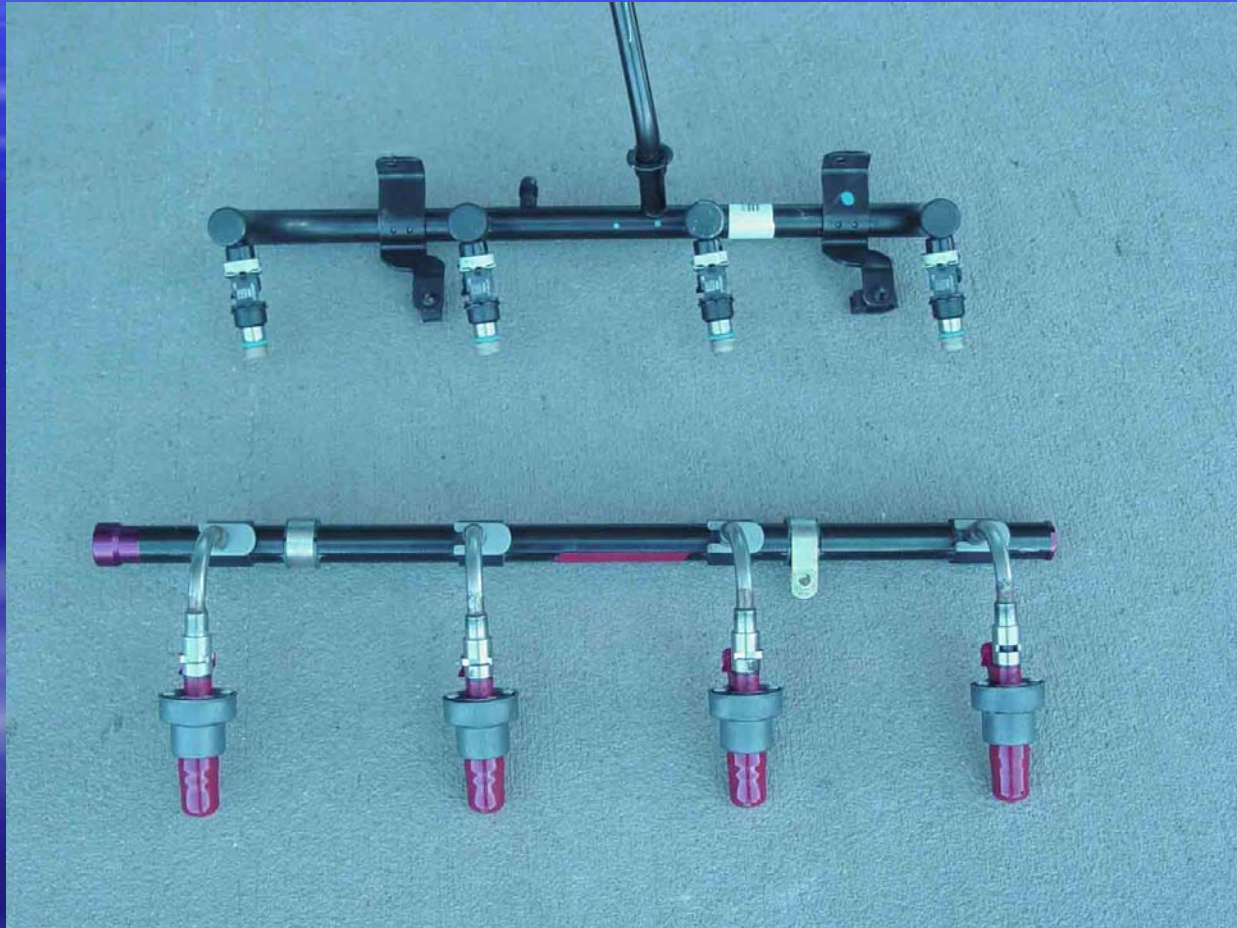
Liquid State

- Pump boost
- Re-circulation
- Cooling effect

System Operation



Direct Replacement



System Installed

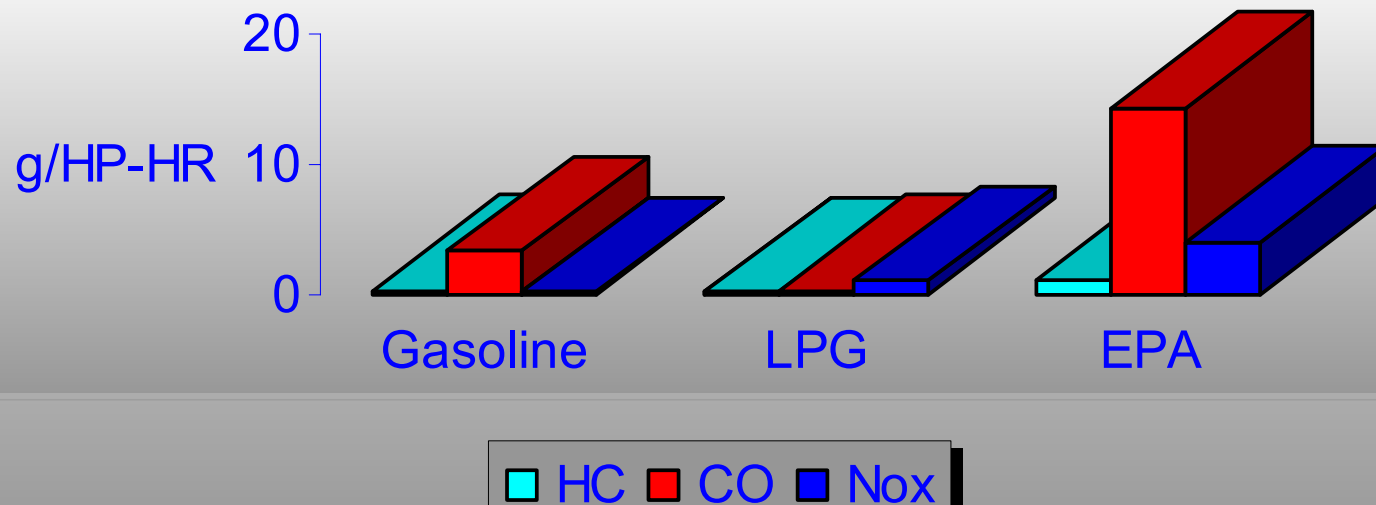


LPEFI® Advantages

- ✱ Direct replacement for the gasoline fuel system significantly improving installation and service.
- ✱ All existing on-board computer diagnostic service functions are retained, resulting in improved service.
- ✱ Liquid injection produces superior sub-zero performance.
- ✱ A direct interface with the OEM computer, coupled with liquid fuel injection, provides a distinct advantage in fuel economy.

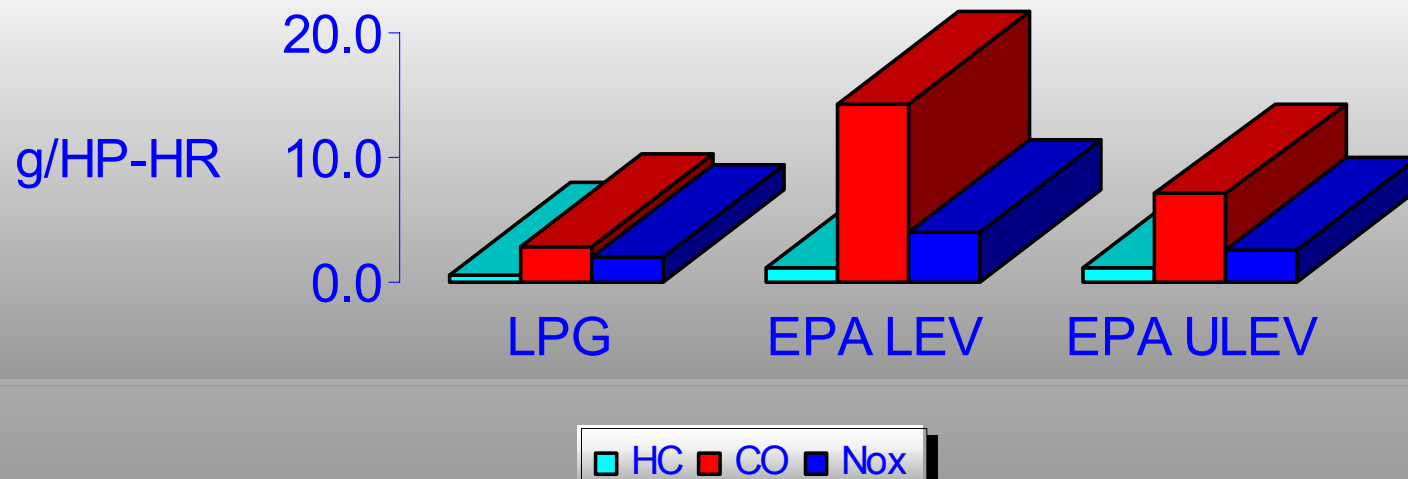
Performance

Ford 6.8L MY 2002 Emissions



Performance

GM 8.1L MY 2003 Emmissions



Medium-Duty Platforms



Ford/GM Platforms



Important Customers



Product Summary

| Make | Engine | Model |
|---------------|-----------|------------------------------|
| GMC/Chevrolet | 6.0L | Pickup or Van |
| GMC/Chevrolet | 7.4L/8.1L | Medium Duty |
| Ford | 5.4/6.8L | Cab Chassis, E-Series Van |

Status of BPT

- ☀ Product commercialization 2000
- ☀ Relocated business in July 2002
- ☀ Redefined marketing efforts late in 2002
- ☀ Continued focus through 2003
 - Schwan's and Ford of Mexico
 - Capacity and Quality
- ☀ Will begin seeking new opportunities in 2004
 - Major fleets, distribution
 - Controlled growth

Thank You for Your Time.

